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DEPT FOR EAP/MTS AND EB/ESC/IEC  
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SUBJECT: EAST JAVA MUDFLOW UPDATE -- VICTIMS LOSE LAWSUIT AND ARE  
URGED TO RELOCATE; UNEP PROVIDES GRANT; RIVER SEDIMENTATION  
INCREASING

REF: SURABAYA 64 AND PREVIOUS (NOTAL)

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protect accordingly.

11. (SBU) Summary: Mudflow victims are planning to take their  
case against the government and Lapindo company to The Hague  
after the Jakarta District Court rejected their law suit. The  
judges ruled that, in spending Rp 1.63 trillion (USD 175  
million), the government and Lapindo have "done what they had to  
do." Victims are apparently also considering requesting  
assistance and possible asylum from U.S. Consulate General  
Surabaya. Victims are considering using compensation payments  
to purchase new houses from a Lapindo subsidiary. UNEP is  
reportedly providing a grant to a local university to study  
potential uses for the mud. A lack of rain is raising concerns  
as sedimentation increases in the Porong river. End Summary.

Taking Their Case to International Court  
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12. (U) On November 27, the Jakarta District Court rejected a law  
suit brought by victims of the Sidoarjo mudflow against  
President Yudhoyono, the ministers of Energy and Mineral  
Resources and the Environment, the East Java Governor, the  
Regent of Sidoarjo, and the Lapindo company. The Indonesian  
Legal Aid Foundation (YLBHI), representing the victims, accused  
the government and company of being slow to address the social,  
economic, and psychological damage caused by the mudflow. YLBHI  
also accused the defendants of failing to carryout legal  
obligations to protect victims' rights and of being in violation  
of Indonesian Law No. 11, 2005, on the ratification of the  
International Covenant on Economic, Social and Cultural Rights.

13. (U) According to press reports, the team of judges rejected  
all accusations and expressed the view that the defendants had  
already done their best to address the impact of the mudflow and  
did not violate any laws. In explaining the verdict, the judges  
noted that Rp 1.63 trillion (USD 175 million) had already been  
spent. One of the judges, Martini Mardja said; "The government  
and all of the defendants have done what they have to do." An

official from Sidoarjo Mud Management Agency (BPLS) told us separately November 29 that approximately Rp 700 billion (USD 77 million) has been spent on handling the mudflow. The remaining Rp 900 billion (USD 96 million) has been spent on relocation and 20% compensation payments to victims, daily cost-of-living allowances for those displaced, evacuation, and infrastructure repair (including repaving the main Porong road).

14. (SBU) According to press reports, Taufil Basari, a lawyer for the victims, expressed disappointment with the verdict. He complained that the judges had ruled out witness and expert testimony, focusing solely on the amount of money that had been spent. He accused the judges of disregarding the humanitarian costs. Taufik added that YLNHI would appeal the verdict within 14 days. On November 28, local press reports announced that the victims were raising money in a planned effort to bring their case against Lapindo to The Hague. Sunarto, the coordinator of a local NGO (Pagar Rekontrak), told reporters that the victims were also lobbying U.S. Consulate General Surabaya and considering requesting asylum in the U.S. (Note: On November 16, Pagar Rekontrak sent a formal letter requesting a meeting at the Consulate. No date has been set.)

#### Relocation

15. (U) Local media reported November 25 that PT Minarak Lapindo Jaya (a subsidiary of Lapindo) had purchased 200 hectares of land west of Sidoarjo with the intention of building 6,030 houses. The company announced that it would give priority to mudflow victims, who could use the remaining 80% compensation payment to purchase the house. Reportedly, an estimated 1,500 families from the Tanggulangin Housing Complex expressed interest in accepting PT Minarak's offer, calling the offer "realistic." They are now awaiting details of the administrative process and the exact location of the homes. East Java NU Chairman Ali Maschan Moesa publicly suggested November 28 that relocation was the best solution for thousands of Sidoarjo mudflow victims.

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#### UNEP Grant

16. (U) According to local press reports, the UN Environment Program (UNEP) will provide a grant to ITS (the 10th November Institute of Technology in Surabaya) to conduct research over the next four months on potential uses for the mud. The value of the grant has not been disclosed. The research results will be reported to the UN, BPLS, and the Minister for Environment.

#### Doing a Rain Dance

17. (SBU) According to BPLS officials, the lack of rain in East Java and corresponding decrease in the water flow rate in the Porong river has resulted in a buildup of sedimentation, especially near Pajarakan Village, close to where the mud enters the river. BPLS is employing heavy equipment and dredgers in an effort to keep the mud moving, but BPLS admits it needs to do more. Water released from the Lengkong Dam, which was being used to keep flow rates high and the mud moving, has been diverted to supply water to the city of Surabaya. BPLS is now hoping for East Java's delayed rainy season to begin.

MCCLELLAND